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State Superintendent of Public Instruction

**CALIFORNIA
DEPARTMENT
OF
EDUCATION**

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December 29, 2000

To: County and District Superintendents
County and District Chief Business Officers
Charter School Directors

From: Janet Sterling, Director
School Fiscal Services Division

Subject: Annual Adjustment to Bid Threshold for Contracts Awarded by School
Districts

School district governing boards are required by [Public Contract Code](#) Section 20111(a) to let (award) contracts for certain purposes that are in excess of a specified dollar amount (\$50,000) to the lowest responsible bidder. The types of contracts subject to the \$50,000 threshold include:

- (1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
- (2) Services, except construction services.
- (3) Repairs, including maintenance.

Commencing January 1, 1997, the State Superintendent of Public Instruction is required to annually adjust the \$50,000 amount specified in Section 20111(a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce, for the twelve month period ending in the prior fiscal year. The \$15,000 threshold on construction contracts specified in Section 20111(b) is not subject to annual adjustment.

The adjustment amount is calculated by dividing the average of index values for the four quarters of the prior fiscal year by the average of index values for the four quarters of the second prior fiscal year. The revised amount is rounded to the nearest one hundred dollars (\$100).

Shown below are the annual adjustments:

Calendar Year	Amount	Percent Change
Pre 1997	\$50,000	
1997 (effective 1-1-97)	\$51,500	3.021%
1998 (effective 1-1-98)	\$52,900	2.772%
1999 (effective 1-1-99)	\$53,900	1.799%
2000 (effective 1-1-00)	\$54,900	1.935%
2001 (effective 1-1-01)	\$56,900	3.686%

Future notifications of the adjusted annual amounts will be sent to you as soon as the required information becomes available and we have performed the necessary calculations.

If you have questions about the information in this letter, please contact the Office of Financial Accountability and Information Services at (916) 322-1770, or send an e-mail message to: faisinfo@cde.ca.gov. Technical questions solely about the calculation of the adjustment should be addressed to Sandra Silva at (916) 327-1824. For specific questions about bidding procedures for school districts, please consult the *Public Contract Code* or your legal counsel.

Please note that this letter (with hypertext links to the cited *Public Contract Code* sections) has been posted to the California Department of Education Web site at: <http://www.cde.ca.gov/sfsdiv/>. Click on "Financial and Accounting Information" to access this letter.

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